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Minutes for the
DENALI COMMISSION QUARTERLY MEETING
JULY 13, 2005
Kotzebue, Alaska

Commissioner Attendance:

Roger Marcil	<i>Representing Federal Co-Chair</i>
Joel Gilbertson	<i>Representing State Co-Chair (Via speakerphone)</i>
Gary Brooks	<i>Representing Commissioner, AFL-CIO</i>
Wendy Redman	<i>Representing Commissioner, University of Alaska</i>
Richard Cattanach	<i>Commissioner, Associated General Contractors</i>
Julie Kitka	<i>Commissioner, Alaska Federation of Natives</i>
Kevin Ritchie	<i>Commissioner, Alaska Municipal League</i>

Mr. Marcil welcomes all to the third Denali Commission quarterly meeting for the fiscal year 2005 and thanks the community of Kotzebue and the Borough for allowing the meeting in Kotzebue. The meeting begins at 9 a.m.

Mr. Marcil states the minutes of the last meeting have not been vetted and finalized. The minutes will be sent out to the Commissioners for approval after staff makes the corrections. Mr. Marcil asks for approval of the agenda. Commissioner Ritchie requests the agenda *be amended to include discussions on the Denali Commission Code.*

Agenda Acceptance Vote

MOTION: Commissioner Ritchie motions the agenda be accepted <i>as amended.</i>
SECOND: Commissioner Cattanach seconds.
VOTE: Motion approved by unanimous vote.

Mr. Marcil introduces the Commissioners and proceeds to the Federal Co-Chair's comments, deferring to Corrine Eilo, Denali Commission Director of Administration, to use this time to update the Commissioners on the 2005 budget. She begins by describing the Commission's funds as "no-year funds" (i.e.: funds carry over from one fiscal year to the next). Beginning this fiscal year (2005), certain funds¹ have expiration dates. If these funds are not obligated by the end of the fiscal year, the Commission must return the funds to the US Treasury General Account. Also, beginning this fiscal year, "earmarked" funds may only be moved from program to program after receiving clearance from the Senate Appropriations Subcommittee. Ms Eilo further explained a new report showing the allotments in more detail. This report will allow program managers and finance staff to have a common repository in tracking the obligations. Commissioner Ritchie suggests a budget meeting of

¹ Appropriations Denali Commission receives from HRSA, DOL, and HUD are designated as one- two- or three-year appropriations (respectively) and must be obligated by the end of the respective fiscal year.

the entire Commission to focus on the administrative budget.² Commissioner Kitka requests the staff to develop language for the Congressional Staff to use to ensure all funds received by the Commission are “no-year funds.”³

Commissioners Kitka and Ritchie discuss the hidden cost, or benefit, of shared staff, i.e. liaisons and details, working at the Commission. Commissioner Kitka requests the staff document the cost of this staff to better reflect the true cost of operating the Commission. Commissioner Ritchie requests to discuss the wisdom of having shared staff at some future date.⁴

Mr. Marcil transitions to the State Co-Chair and introduces Commissioner Gilbertson. Commissioner Gilbertson recognizes the Budget & Audit Committee and Commissioners Ritchie and Cattanaach for their hard work. He announces that the Governor has been working to hire staff to be a full-time person for the State Co-Chair with the Denali Commission.⁵

Mr. Marcil recognizes Krag Johnsen, who gives a brief presentation on the recommended economic development and domestic violence shelter projects to be funded with HUD and HRSA appropriations (respectively).⁶

Public Comment Period

Mr. Marcil recognizes Brad Reeve from the Kotzebue Electric Association. Mr. Reeve asks the Commissioners for advice concerning how the Association can become more involved in the Commission’s process for determining sustainability and integrating wind power into Northwest Borough communities. Mr. Reeve believes regional energy associations offer the Commission an important resource in helping communities attain sustainable energy utilities. Commissioner Kitka notes that the Denali Commission has been informed that there is about \$50 million in the Energy Bill pending in Congress that is intended to deal with power cost equalization and costs, and asks that staff put together a report on the progress of that legislation and share it with the Commissioners⁷. Mr. Marcil and Ms. Eilo will prepare a paper that quantifies the benefit and cost associated with liaisons and details.

Mr. Marcil recognizes Walter Sampson from NANA. Mr. Sampson asks for a set of criteria or requirements that the entities can go through to make the process of applying for dollars for different projects easier and simpler rather than passing through a State entity. Commissioner Kitka notes the Commission funds should not be used to supplant State funding of traditional programs. Mr. Marcil acknowledges that many of the Commission’s programs have matured to the point that new, or additional, program partners are needed.

Mr. Sampson introduces Gladys Pungowiyi who requests the Commission consider building infrastructure, like office buildings in each of the villages to support people working in the villages. She emphasizes that to promote economic development there is need for jobs in the villages.

² This meeting has been set for August 25, 2005. See the 8/5/2005 bi-weekly update memo for the proposed agenda.

³ Ms. Eilo is working this issue through the Executive Branch.

⁴ Potential topic for future Commissioner retreat.

⁵ Jamilia George, the new representative, began work at the Commission on 7/18/2005. Her office number is 271-1425.

⁶ See your meeting book for these fund resolutions.

⁷ See the 8/5/2005 bi-weekly update memo for energy bill details. \$55-million anticipated for energy projects and PCE.

Denali Commission Code

Commissioner Ritchie explains the Denali Commission Code is an internal document that explains how the Commission interacts with the [Executive Branch] Administration and was originally developed when the agency was created. The first change to the Denali Commission Code primarily tries to define the relationship between the Commissioners, Federal Co-Chair and the staff on the development of the annual budget. The second change deals with the Commissioners, adding a process to address complaints or actions involving any Commissioner that are not specifically addressed in the Code. The third change defines the relationship between the Commissioners and the Inspector General. Commissioner Ritchie recommends adopting these changes with the understanding the document can continue to be refined. Mr. Marcil states the Code is posted on the Commission website and has an opportunity for public comment by e-mail. He adds the Code, as changed, still needs to go before the federal legal counsel for review.

Code Acceptance Vote, Part 1- Approving amendments proposed by Commissioner Kitka

MOTION: Commissioner Ritchie motions the code be adopted by the Commission as a “working document”
SECOND: Commissioner Cattnach seconds.

DISCUSSION:

Commissioner Kitka requests the motion be amended to, 1) replace the terminology of “cost effectiveness,” with “effectiveness of government matched with needs of the people,” 2) add a committee known as the “Planning Committee,” and 3) to clarify that investigations are only triggered based upon written and signed complaints.

Mr. Marcil clarifies to the Commissioners this is just a tentative document so we can move on for further discussion and to move it to legal counsel. For the purposes of consensus, he asks for a vote and to move forward on the amendments. There is general consensus among the Commissioners for the planning committee, and discussion about adding the Resolution process to the Code.

Commissioner Ritchie suggests separating the three amendments and voting on each one individually.

VOTE (Amendments only):

1. Modifying the language to show the cost effectiveness is not the overriding principle. [Approved by unanimous vote.](#)
2. To develop a resolution, at some future date, to add a planning committee. [Approved by majority vote.](#)
3. To direct the staff to look at the Bureau of Land Management and how their Inspector General procedures are written, and bring it back to Commissioners for consideration. [Approved by unanimous vote.](#)

Ms. Redman clarifies the Code does not have a process for calling an investigation upon the Federal or State Co-chairs. Commissioner Gilbertson and Ritchie state the other Commissioners may call for such an investigation.

Commissioner Kitka questions whether the Commissioners can hire an independent counsel, as opposed to relying upon the Inspector General. Commissioner Ritchie states this is not specified in the Code, however the current Inspector General agreed that an independent counsel could be retained by the Commissioners. Commissioner Gilbertson further comments the authority of the Budget and Audit Committee were further clarified on page 12 to address this issue. Commissioner

Ritchie states that in the original Budget & Audit Committee resolution it states, “*The committee may retain at expense of the Commission, consistent with applicable procurement requirements, special legal, accounting, and other consultants it considers necessary in the performance of its duty. It is the whole Commission and the Budget & Audit Committee.*”

Code Acceptance Vote, Part 2- Approving of Code as a working document

MOTION & SECOND are continued from Part 1 above.

VOTE:

Approving of Code as a working document. [Approved by unanimous vote.](#)

Commissioner Gilbertson states that it may be appropriate for the Commission to give authority to the Commission staff to make technical corrections to the draft for things like typos or grammar or things to improve clarity without changing the substance. Mr. Marcil states that it can be put out for electronic approval to all the Commissioners without having a formal meeting.

Consent Agenda

Mr. Marcil requests a vote on the consent agenda. Commissioner Kitka requests a modification to the language of the *Economic Development Resolution No. 524*. Commissioner Kitka requests the funding language be modified to reflect specific funds levels, as opposed to an “up to” level.

Consent Agenda Vote

MOTION: Commissioner Kitka motions to accept the consent agenda consisting of two resolutions (Economic Development, #524 and Domestic Violence, #525)

SECOND: Commissioner Cattanaach seconds.

DISCUSSION:

Commissioner Cattanaach requests the “up to” language remain in resolution #524 to eliminate the potential mismatch between total award fund requirements and total funds available. He recommends modifying item #4 to strike the words “up to,” but leave this language in items #1 through #3.

Mr. Marcil states the staff will not reallocate un-obligated funds. Rather, the staff will identify these funds to Commissioners and present potential projects for the Commissioners’ consideration.

VOTE:

Approving the Consent Agenda and associated Resolutions. [Approved by unanimous vote.](#)

MOU Presentation

Mr. Allen, Director of USDA-Rural Development, Alaska Office, updated the Commissioners concerning the Commission’s interagency Memorandum of Understanding (MOU). The MOU discusses tasks that are before the various work groups, the [groups] major accomplishments, and the objectives for the coming year. Currently, there are three MOU work groups that are made up of our

partners from State and Federal that combine to work on various issues. Mr. Allen introduces Mike Black who reports on the planning work group.

Mr. Black discusses the project checklist goal of ensuring multiple agency-funded projects are coordinated in a way that ensures alignment among different agencies working in the same community. Mr. Black, in response to Commissioner Cattanach's query, affirms the community mapping project is approximately 60% completed. Commissioner Kitka and Mr. Allen affirm that no community should be left behind in this project, due to a lack of cost share match funds.

Commissioner Kitka furthers this point to noted disparities among rural and urban communities in the state. She highlights the need to help communities communicate their needs to the Denali Commission and other grant agencies.

Mr. Allen continues his presentation by transitioning to the topic of community planning. He emphasizes that community plans are more successful when integrated with a regional plan. However, he points to the challenge small communities face in obtaining funds to develop community plans. He also highlights the need to resolve land ownership issues in small communities. This resolution is needed to ensure land is available for economic development.

Mr. Allen transitions to the Housing workgroup, highlighting the efforts of the State, Alaska Native Tribal Health Consortium, and US HUD to fund teacher, health provider, and elder housing in rural communities. He highlights the creation of a "predevelopment fund" to assist communities in developing community housing plans. Mr. Fauske, chair of the Housing Workgroup presents information of commercial home "kits" the workgroup is investigating as an avenue for rural housing.

Commissioner Kitka requests the Commission staff provide all Commissioners with an upcoming GAO report studying the needs of rural Alaska housing.

Mr. Allen highlights the need for communities to form utility cooperatives in order to sustain their community utilities, emphasizing that community utility maintenance is not a full time position. Mr. Allen transitions into a presentation on the crisis of failing rural communities in Alaska and the need for agencies to collaborate in finding ways to help communities become sustainable and foster economic growth. An initiative to begin the collaboration is forthcoming.⁸ Commissioner Kitka motions to establish a workgroup in support of this initiative.

[Vote to establish workgroup in support of Community Economic Development](#)

MOTION: Commissioner Kitka motions to establish a workgroup that analyzes community cash flow and economic development needs.

SECOND: Ms. Redman seconds.

DISCUSSION:

Commissioner Kitka, Ritchie, and Ms. Redman offer the support of their respective organizations to Mr. Allen to assist with this initiative.

⁸ The new workgroup initiated by USDA-RD to begin this collaboration is titled Council on Economic Policy in Rural Alaska (CEPRA). The initial meeting of this group is 8/11/2005 in the Denali Commission conference room.

VOTE:

Approving the formation of a workgroup (see footnote 8). [Approved by unanimous vote.](#)

Commissioner Closing Comments

Commissioners, as a whole, give their thanks to the communities and organizations involved in hosting the quarterly meeting and rural community visits. Commissioner Ritchie adds that a Commission meeting is needed in mid-August to go forward with the administrative budget by September 1. Commissioner Kitka announces the Alaska Marketplace Convention, the third week in October, and invites the Commissioners to join in public recognition from Fairbanks, of Federal Co-Chair, Jeff Staser, to express appreciation for his dedication. The Denali Commission quarterly meeting adjourned at 11:36 a.m.

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